

Aurora Sandringham Dividend Income Trust Performance Report - December 2011

(ASX Code: AOD)



Summary

- The Trust returned 0.51% for December compared to the Benchmark which returned -0.44%
- The Trust announced a cash distribution of \$0.014 per Unit for the three months ending 31 December 2011 which represents an annualised yield of 6.2%

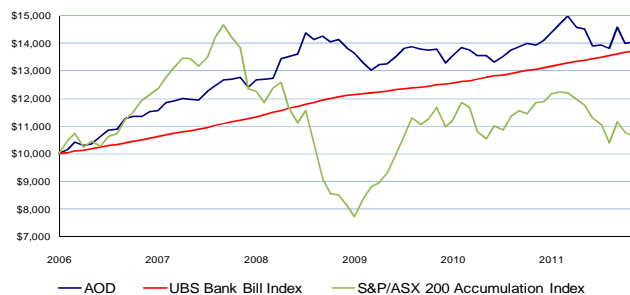
Performance¹

	1 month	3 months	6 months	12 months	3 yrs (p.a)	5 yrs (p.a)	Since Inception (p.a)
Aurora Sandringham Dividend Income Trust	0.51%	1.68%	-3.05%	0.86%	-0.17%	4.36%	6.01%
Benchmark ²	-0.44%	1.82%	-3.46%	-2.63%	6.45%	2.16%	3.88%
S&P/ASX200 Accumulation Index	-1.35%	2.12%	-9.71%	-10.54%	7.59%	-2.31%	1.03%
UBS Australia Bank Bill Index	0.39%	1.21%	2.46%	4.99%	4.38%	5.48%	5.57%

Investment Objective*

To provide investors with returns in excess of the S&P/ASX 200 Accumulation Index including the value of franking credits over rolling 5 year periods with around half the volatility.

Investment Performance



Trust Features

Unit pricing	Monthly.
Distribution policy	At least 1.5% of Net Asset Value per Unit per quarter ³ .
Applications	Investors may acquire Units on the ASX
Redemptions	On market by selling on the ASX or off-market at the end of each month.

Trust Valuations

Fund Size	\$21.8 million
Net Assets Value per Unit	\$0.8868
Net Assets Value per Unit-incl. franking	\$0.9064
NAV Accumulation per Unit (since inception)	\$1.6177

Trust Distributions (per Unit)⁴

Period	Cash	Franking (%) ⁵	Yield at NAV (p.a)
30-Jun-06	\$0.0430	\$0.0673 (367%)	14.70%
31-Dec-06	\$0.0188	\$0.0722 (899%)	15.90%
30-Jun-07	\$0.0440	\$0.0295 (154%)	12.60%
31-Dec-07	\$0.0375	\$0.0296 (184%)	11.60%
30-Jun-08	\$0.0417	\$0.0156 (87%)	9.90%
31-Dec-08	\$0.0400	\$0.0213 (124%)	10.40%
30-Jun-09	\$0.0100	\$0.0210 (491%)	5.30%
31-Dec-09	\$0.0300	\$0.0240 (188%)	10.20%
31-Mar-10	\$0.0160	\$0.0100 (146%)	9.90%
30-Jun-10	\$0.0160	\$0.0011 (16%)	6.60%
30-Sep-10	\$0.0150	\$0.0000	6.00%
31-Dec-10	\$0.0150	\$0.0000	6.06%
31-Mar-11	\$0.0150	\$0.0000	6.06%
30-Jun-11	\$0.0150	\$0.0346 (538%)	19.31%
30-Sep-11	\$0.0140	\$0.0000	5.81%
31-Dec-11	\$0.0140	\$0.0000	6.18%
Total	\$0.3850	\$0.3263	

Investment Strategy

The Trust seeks to achieve the investment objective by investing in an actively managed portfolio of fully franked dividend paying companies listed on the Australian Securities Exchange while hedging the market exposure to around 50% of net assets.

Historical Volatility

AOD (since inception)	6.8%
S&P/ASX200 Acc Index (since incep)	15.5%

Portfolio Commentary

The S&P/ASX200 Accumulation Index finished down 1.35% for the month as the European crisis again dominated headlines with agreements reached at the much anticipated European leaders summit doing little to fix seized credit markets. The uncertain outcome from this enduring crisis and the likelihood that inflation would be subdued prompted the RBA to cut the official cash rate another 0.25 percentage points.

Lower commodity prices and a large fall in LNG prices during December made Materials and Energy the market's worst performing sectors. The fall in LNG prices was due to a warmer than normal winter in the US. Woodside Petroleum which has a large exposure to LNG was amongst the Trust's worst performing positions.

Telecommunications was the best performing market sector due to its defensive characteristics. The overweight position in Telstra was amongst the Trust's best performing positions. Also contributing to the Trust's outperformance was the underweight position in Gold miner Newcrest Mining. It fell 14% for the month due to a production downgrade and a large fall in the underlying gold price.

The worst performing stock in the S&P/ASX200 was Billabong in which the Trust has an underweight position. It fell 50% after reporting a slow start to December trading.

Significant Portfolio Holdings

Company	Weight
BHP Billiton	17.7%
Commonwealth Bank	12.3%
Westpac Banking Corp	9.6%
ANZ Banking Group	8.5%
National Australia Bank	8.1%
Total invested as a % of NAV	98.7%

Dividend Calendar

Company	Forecast Div	Ex Date
Tabcorp Holdings	\$0.24	7/02/2012
JB Hi-Fi	\$0.50	13/02/2012
Alumina	\$0.04	15/02/2012
Boral	\$0.08	17/02/2012
Commonwealth Bank	\$1.30	20/02/2012
Telstra Corp	\$0.14	20/02/2012
Wesfarmers	\$0.70	22/02/2012
Santos	\$0.10	22/02/2012
BHP Billiton	\$0.48	27/02/2012
Woodside Petroleum Ltd	\$0.55	27/02/2012

Source: Bloomberg. Note: The Trust may or may not make investments in the above companies

About Aurora

Aurora Funds Limited ('Aurora', ASX Code: AFV) was listed on the ASX in July 2010. Aurora comprises the combined businesses of Aurora Funds Management Limited, Fortitude Capital Pty Ltd and Sandringham Capital Pty Ltd.

The combined group has in excess of \$400 million in funds under management and administration, and provides asset management and responsible entity/trustee services for over 3,000 Australian and New Zealand investors.

Aurora is also the issuer of the:

- Aurora Fortitude Absolute Return Fund (ARSN 145 894 800)
- Aurora Absolute Return Fund (ASX Code: ABW)
- Aurora Global Income Trust (ASX Code: AIB)
- Aurora Property Buy-Write Income Trust (ASX Code: AUP)
- van Eyk Blueprint Alternatives Plus (ASX Code: VBP)

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Notes: Since inception (17 Nov 05) the Trust has delivered an annualised return of 5.69%, assuming distributions and franking credits are reinvested. 1. This represents a cumulative return and assumes the reinvestment of distributions and franking credits. 2. The Benchmark return is calculated daily as 50% of the return of the UBS Australia Bank Bill Index plus 50% of the return of the S&P/ASX 200 Accumulation Index. 3. The Trust intends to always distribute at least 1.5% of NAV, excluding any franking credits, per quarter regardless of Trust performance. This means that if the Trust has insufficient net income in a given quarter, investors may receive a partial (or full) return of capital. 4. Please note each historical distribution has been divided by eight to reflect the Unit split carried out in July 2008. 5. The percentage franked is based on a relative comparison to a Company that may pay a 100% franked dividend. A Unit Trust can accumulate franking credits and pass these through to Unitholders. Trusts can have distributions which include franking at more than 100%. *The investment objective is expressed after the deduction of fees and before taxation. See the PDS for details on taxation. The objective is not intended to be a forecast, and is only an indication of what the investment strategy aims to achieve over the medium to long term. While we aim to achieve the objective, the objective and returns are not guaranteed.

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